

1
2
3
4
5
6
7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 SECURITIES AND EXCHANGE
11 COMMISSION,

12 Plaintiff,

13 v.

14 PATH AMERICA, LLC, et al.,

15 Defendants, and

16 POTALA SHORELINE, LLC, et al.,

17 Relief Defendants.

CASE NO. C15-1350JLR

ORDER GRANTING MOTION
FOR ORDER APPROVING SALE
OF SHORELINE PROPERTY

18 The court, having reviewed Receiver Michael A. Grassmueck's¹ ("the Receiver")
19 Motion for Order Approving Sale of Property ("Motion") (Mot. (Dkt. # 571)) and good
20 cause appearing therefor, hereby ORDERS as follows:

21 ¹ Mr. Grassmueck is the court-appointed Receiver for Path America, LLC; Path America
22 SnoCo, LLC; Path America Farmer's Market, LP; Path America KingCo, LLC; Path America
Tower, LP; Path Tower Seattle, LP; Path Tower Seattle, LLC; Potala Shoreline, LLC; Potala

1 1. The Motion (Dkt. # 571) is hereby GRANTED;

2 2. The sale of the real property located at 15560 Westminster Way North,
3 Shoreline, Washington 98133 (the "Property"), more specifically described in the
4 Purchase and Sale Agreement and Joint Escrow Instructions (the "Agreement") attached
5 as Exhibit A to the Receiver's Declaration (Dkt. # 571-1) submitted concurrently with the
6 Motion, to Maple Multi-Family Land TX, LP ("Buyer") is CONFIRMED and
7 APPROVED;

8 3. The purchase and sale of the Property to Buyer shall be on an "As-Is,
9 Where-Is" basis, as set forth in the Agreement;

10 4. The court further finds as follows:

11 a. The negotiation, execution, delivery, and consummation of the Agreement
12 was conducted in a manner appropriate under applicable law;

13 b. The Receiver provided adequate and sufficient notice for the Motion;

14 c. The consummation of the sale of the Property is in the best interests of the
15 estate of the Receivership Entities;

16 d. Buyer has acted in good faith, the purchase and sale is undertaken by Buyer
17 and the Receiver at arm's length, without collusion and in good faith, and Buyer is entitled
18 to appropriate protections on account thereof;

19
20
21 _____
22 Village Kirkland, LLC; Dargey Development, LLC; Dargey Enterprises, LLC; Path Farmer's
Market, LLC; and Dargey Holdings, LLC (collectively, "the Receivership Entities" or,
individually, "the Receivership Entity"). (*See* Receivership Order (Dkt. # 88); Order Modifying
Receivership (Dkt. # 375).)

1 5. The purchase price of \$11,500,000 for the Property is CONFIRMED and
2 APPROVED;

3 6. The Receiver is authorized, empowered and directed to immediately pay,
4 upon closing of the sale, a commission of 1% of the final purchase price to broker
5 Berkadia Real Estate Advisors;

6 7. If applicable, the Receiver is authorized, empowered and directed to pay the
7 “Buyer’s Costs” as defined in the Agreement within ten (10) business days following
8 closing to a third-party or delivery of Buyer’s Termination Notice as defined in the
9 Agreement;

10 8. The sale of the Property to Buyer (i) is legal, valid and effectively transfers
11 the Property; (ii) will vest Buyer with all rights, title and interest to the Property free and
12 clear of all “Removable Liens,” other than “Permitted Exceptions,” as those terms are
13 defined in the Agreement; and (iii) constitutes a transfer for reasonably equivalent value
14 and fair consideration under the laws of Washington state;

15 9. Upon and after the closing of the purchase and sale contemplated herein,
16 claims arising out of any security interests or other liens, if any, against the Property shall
17 attach to the net proceeds of the purchase and sale in the same amount and priority as
18 such security interests and other liens had against the Property prior to the purchase and
19 sale, and the rights of creditors against third parties, such as claims against guarantors of
20 any debt owed by a Receivership Entity shall not be affected by this purchase and sale;

21 10. All persons holding or asserting a claim, of any nature, against a
22 Receivership Entity, shall be barred from taking any actions against Buyer (as they

1 existed immediately prior to closing of the purchase and sale) or the Property to recover
2 such claim;

3 11. Upon and after the closing of the purchase and sale contemplated herein,
4 Buyer shall not be deemed to be (i) a successor to any Receivership Entity; (ii) a
5 continuation of any Receivership Entity; or (iii) to have assumed any liability with
6 respect to any claim, known or unknown, against any Receivership Entity or the estate of
7 the Receivership Entities, except those expressly assumed in the Agreement;

8 12. The provisions of this Order are non-severable and mutually dependent;

9 13. The Receiver is immediately authorized, empowered and directed to
10 complete, consummate, and close the sale transaction, including executing any and all
11 documents as may be necessary and appropriate to do so;

12 14. The Receiver is further authorized, empowered and directed to execute and
13 acknowledge the deed in the form attached to the Agreement as Exhibit D;

14 15. The Receiver is further authorized, empowered and directed to transfer title
15 and possession of the Property to Buyer and turnover possession of the Property to Buyer
16 upon closing;

17 16. The Receiver may amend or otherwise modify the Agreement if Buyer or
18 its designee consents in writing;

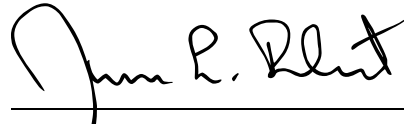
19 17. The terms of this Order shall be controlling but for subsequent immaterial
20 amendments or modifications to the Agreement;

21 18. This Order shall be recorded; and
22

1 19. This court retains exclusive jurisdiction to interpret and enforce the
2 provisions of the Agreement and this Order, in all respects.

3 IT IS SO ORDERED.

4 Dated this 13th day of September, 2017.

5
6 

7 JAMES L. ROBART
8 United States District Judge
9
10
11
12
13
14
15
16
17
18
19
20
21
22